(c) and (d) System's audits are carried out by the stock exchanges. The NSE has issued a circular Ref. No. NSE/CMO/0197/2005 dated May 10, 2005 advising, *inter alia,* the stock-brokers using internet based trading facility to introduce a requirement of regular audit of their systems. SEBI had also advised NSE in this regard.

The systems audit shall cover, besides the requirements specified in respect to systems audit under the professional code of conduct, compliance of systems with the rules, regulations, bye-laws of the exchange, circulars/instructions/undertaking pertaining to the internet based trading systems issued by SEBI and the stock exchange from time to time. The audit shall be conducted for the purpose of and with an objective of identifying the system inadequacies/deficiencies, if any, based on compliance requirements and the implications of such inadequacies. The circular is available on NSE's website at www.nseindin.com.

RBI's guidelines for banks to cut exposure to real estate

2874. SHRI R.S. GAVAI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that RBI has advised Public Sector Banks to cut exposure to real estate;

(b) if so, the reasons therefor; and

(c) what is the response of Public Sector Banks to the RBI guidelines?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Reserve Bank of India has issued guidelines on 'Exposure to Real Estate Sector' to all scheduled commercial banks on 29th June, 2005 with a view to strengthen the risk management system in this segment. These guidelines are available on RBI website www.rbi.org.in.

(c) Government has not received any response from public sector banks in this regard.